ORIGINAL

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May 16, 1995

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222, Stop Code 1170
1919 M Street, NW
Washington, DC 20554

Re: <u>Comments in MM Docket No. 91-221</u>

Dear Mr. Caton:

On behalf of Young Broadcasting, Inc., I am transmitting herewith an original and nine copies of the aforesaid's "Comments" in response to the Commission's <u>Further Notice of Proposed Rulemaking</u> in MM Docket No. 91-221 released January 17, 1995.

If there are any questions concerning this matter, kindly communicate with the undersigned.

Very truly yours,

Carl R. Ramey

CRR/jd
Enclosures

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ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Regulations Governing Television Broadcasting	)	MM Docket No. 91-221
	)	
Television Satellite Stations Review of Policy and Rules	)	MM Docket No. 87-8

To: The Commission

COMMENTS
OF
YOUNG BROADCASTING INC.

Young Broadcasting Inc., by its attorneys, submits herewith the following comments in response to the Commission's Further Notice of Proposed Rule Making ("Further Notice") released in the above-captioned proceeding on January 17, 1995.[1]

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[1] Young Broadcasting Inc., through various wholly-owned subsidiaries, is the licensee of the following television stations located in the following television markets: WKRN-TV, Nashville, Tennessee; WTEN-TV, Albany, New York; WCDC-TV, Adams, Massachusetts (a satellite of WTEN); WRIC-TV, Petersburg-Richmond, Virginia; WATE-TV, Knoxville, Tennessee; WBAY-TV, Green Bay, Wisconsin; WLNS-TV, Lansing, Michigan; KLFY-TV, Lafayette, Louisiana; WKBT-TV, La Crosse, Wisconsin; and WTVO-TV, Rockford, Illinois.

I.

Preliminary Statement

The Commission's Further Notice, together with separate notices in two companion proceedings,[2] contemplate major changes in a host of concepts and requirements that underlie the current multiple ownership rules applicable to television. Young Broadcasting Inc. ("YBI" or "Young"), founded in 1986, currently owns and operates nine network-affiliated television stations in geographically diverse local television markets. It hopes to be able to continue this growth by expanding into new and different markets, consistent with Commission standards.

As such, Young is vitally interested in and likely to be directly affected by many of the decisions ultimately reached by the Commission in this and related proceedings. Its initial comments, however, are limited to one principal issue: the applicable national ownership standard.[3]

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[2] See Notice of Proposed Rulemaking (FCC 94-324) in MM Docket Nos. 94-150, 92-51 and 87-154, released January 12, 1995; and Notice of Proposed Rulemaking (FCC 94-323) in MM Docket Nos. 94-149 and 91-140, also released January 12, 1995.

[3] YBI is aware that certain other broadcast industry groups and coalitions are planning to file comments that will address the other major issues in this and related proceedings. At this stage, therefore, YBI intends to rely on those other comments with respect to such issues.

II.

The National Ownership Standard Should Be Based on Audience Reach Only and Not Restrict the Total Number of Stations Owned

The current national ownership rules in television limit a single licensee to owning and controlling twelve television stations in different local markets and to a maximum aggregate 25% national audience reach. At present, these separate ownership caps effectively limit multiple ownership in distinctly different ways. First, the very largest broadcasters operating in the very largest local TV markets may reach the 25% audience cap well before they reach the 12-station cap. Second, much smaller or medium size broadcast operators -- focusing on smaller local markets -- may approach or reach the 12-station cap without even beginning to dent the allowable national audience cap. For example, whereas Capital Cities/ABC currently owns 8 stations with a 23.63% national audience reach (see Further Notice, footnote 111), Young Broadcasting currently owns 9 stations with a national audience reach of only 3.495%.

At the outset, it is YBI's general view that the dramatic growth in the number of television stations combined with the rapid proliferation of alternative video delivery services over the past decade provide ample justification for reexamining and relaxing the current national ownership limits. Expanded group ownership at all industry levels (see below) will permit broadcasters to achieve economies of scale and enhance their ability to compete not only amongst themselves but with expanding alternative delivery systems such as cable (both conventional and "wireless"), direct satellite broadcasting and any future telephone company owned video distribution facilities. Economies of scale and other demonstrable benefits of group ownership may, in fact, be particularly critical in bearing the costs and taking the risks associated with introducing advanced broadcast technologies and meeting the competitive challenges of multiple-channel video distribution services.

In its 1992 Notice of Proposed Rulemaking ("1992 NPRM") in this proceeding, the Commission initially sought comment on whether, as one alternative, it should modify only the numerical national ownership limit while leaving the 25% reach limit unchanged. 1992 NPRM, 7 FCC Rcd 4111, 4114. Now, in the Further Notice, the Commission seeks comment on whether it should eliminate the numerical station limit entirely, and allow the reach limit to increase by some fixed percentage, such as 5% every 3 years, until the reach limit rises to 50%, the final limit. Further Notice at ¶101. Without, at this time, taking a specific position on what standard should be established as the governing national audience reach limit, YBI strongly favors the Commission's proposal to eliminate the numerical station limit entirely.

In our view, this change would afford all licensees the same opportunity to reach an equal share of the national audience -- but to do so in whatever combination of stations and local markets they determined best suited their circumstances. Moreover, establishing national ownership limits based solely on reach, without also imposing a separate restriction on the number of stations, would place the proper emphasis on total audience served and permit companies full flexibility to own either a few stations serving large population centers or a larger number of stations serving smaller population centers.

As the Commission's own preliminary analysis suggests, changes in the current national ownership limitations are unlikely to have any adverse impact on viewpoint diversity in local markets. Further Notice, ¶'s 96-97. Indeed, it is much more likely that encouraging ownership diversity among more and varied multiple owners -- which deletion of the TV "rule of 12" would undoubtedly facilitate -- could actually enhance and strengthen continued diversity at the local market level.

This conclusion certainly reflects the philosophy and experience of Young Broadcasting. Thus, even as the company has continued to grow at the national level, YBI is constantly reminded by its own practical experience that you only succeed at the local station level by operating each station in a way that best responds to that station's own local community. For this reason, YBI affords its station General Managers substantial autonomy in making editorial choices generally and in producing and presenting news, public affairs and all other local programming specifically.

For example, under strong local management, YBI's Nashville station, WKRN, garnered the prestigious Peabody Award for investigative journalism in March, 1994. In fact, over the past two years, the station has won a combined 17 Regional Emmy Awards and a coveted first place from the Tennessee Associated Press for Investigative, Feature and Spot News reporting. WKRN has also won a number of regional awards from the Radio-TV News Directors Association, including three in 1994 for Best Feature, Best News Operation and Best Investigative Reporting.

Similarly, in Albany, at WTEN, YBI has increased local news programming by 67% since acquiring the station in 1989. At WLNS, in Lansing, YBI launched the market's first 5:30 p.m. newscast in 1989 and recently added a new 6:30 a.m. newscast. That local news programming is the key to WLNS' continued success is further reflected in the fact that it produces 18 to 20 special news programs each year, including live town hall meetings in prime time on community topics such as youth violence and political debates in major election years.

In a similar vein, YBI has continued and added to the strong emphasis on local news and community related broadcasts at KLFY-TV in Lafayette, Louisiana. For instance, each weekday on KLFY begins with a 90-minute live production of "Passe Partout", a family oriented program offering news, weather, sports and interviews on local subjects (the first half-hour of which is broadcast in French, to better serve the large French-speaking Cajun population in the area). And, at WKBT in La Crosse, Wisconsin, YBI put in place an award winning local anchor team and instituted a number of other measures which, together, have greatly increased the station's ongoing news and public service presence throughout the community.

Undeniably, group ownership permits the marshalling of greater resources and the sharing of wider expertise and experience that, in our view, can be translated into stronger, more effective local station operations. But this only succeeds if day-to-day editorial decision-making is entrusted to local station management.

In sum, eliminating the numerical station limit while retaining the existing or an expanded national audience reach limit will permit group owners such as YBI to invest in and strengthen the viability of many additional smaller market stations -- something that, increasingly, may be essential in order to preserve and enhance diversity and localism in medium and smaller television markets.

If the Commission only raises the national audience cap without raising or eliminating the national numerical cap, the effect will be to allow only the biggest broadcasters to grow without granting significant relief and flexibility to smaller and medium-size broadcasters. Both types of group ownership, we submit, are important to the new video marketplace.

III.

Conclusion

Young Broadcasting Inc. strongly supports the Commission's overall effort to reexamine and revamp its current television ownership rules. In our view, a number of changes are needed.

These comments, however, have been focused on a single yet vital step we believe the Commission should take wholly apart from any other decisions it reaches in this and companion proceedings. No matter what else it does, the Commission should change its national ownership rules so that they are based solely on audience reach without regard to the number of stations owned. This modest change will not only foster competition and bring renewed economic strength to the television industry, it will better position the television industry to address the growing challenges of the broader video distribution marketplace.

Respectfully submitted,

YOUNG BROADCASTING, INC.

By: Carl R. Ramey

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